



ABAG POWER Executive Committee Meeting No. 2015-04

August 19, 2015 (12 Noon - 2:00 p.m.)

**Association of Bay Area Governments
101 Eighth Street, Conference Room B
Oakland, CA 94607**

AGENDA*

1. **Welcome and Introductions**
2. **Public Comments**
3. **Approve Summary Minutes of Executive Committee Meeting**
Action:
ATTACHMENT 3A – SUMMARY MINUTES OF JUNE 17, 2015
4. **Executive Committee Administration**
Information: Staff will review the operation of the Executive Committee and discuss the need for new members.
5. **Legislation – Review/Support**
Action: Staff will review current legislation for the Committee's potential support.
ATTACHMENT 5A – SB 350 MEMO
ATTACHMENT 5B – SB 350 DRAFT LETTER
6. **Report on Natural Gas Program**
Information: Staff will review recent gas operations, including gas purchases; the program's long-term hedge position; gas imbalances; and other miscellaneous program items.
ATTACHMENT 6A – MONTHLY SUMMARY OF OPERATIONS FY 2014-15
ATTACHMENT 6B – MONTHLY SUMMARY OF OPERATIONS FY 2015-16
ATTACHMENT 6C – GAS HEDGE CHART
ATTACHMENT 6D – MARKET PRICE CHART
ATTACHMENT 6E – HISTORIC STRANDED CAPACITY COSTS
7. **ABAG/MTC Budget and Planning Issues**
Information: Staff will review recent discussions between ABAG and MTC that could potentially affect ABAG POWER.
8. **Agenda for Annual Board Meeting**
Information: Staff will discuss the timing and agenda for the Annual Board Meeting.
ATTACHMENT 8A – ANNUAL BOARD MEETING PRELIMINARY AGENDA
9. **Closed Session**
The following item will be discussed in closed session, pursuant to the requirements of the Ralph M. Brown Act. All reportable actions taken will be announced in open session prior to the adjournment of the meeting.
Conference With Legal Counsel—Existing Litigation, Govt. C. Sec. 54956.9(d):
 1. Application of Pacific Gas & Electric Company to Set New Core Interstate Pipeline Capacity Planning Range (A.13-06-011)



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AGENDA*

2. Application of Pacific Gas & Electric Company Proposing Cost of Service and Rates for Gas Transmission and Storage Services for the Period 2015-2017 (A. 13-12-012)

10. Other Business

11. Adjournment

*The Committee may take action on any item on this agenda

MEMORANDUM

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area

Attachment 3A

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SUMMARY MINUTES

ABAG POWER Executive Committee

Regular Meeting 2015-03

June 17, 2015

ABAG's Conference Room B
101 8th Street, Oakland, CA 94607

WELCOME AND INTRODUCTIONS

Chairman Schroeder opened the meeting with introductions at 12:10 PM.

Committee Representatives

Chris Schroeder (Chair)

Tonya Gilmore

Angela Walton

Alan Olds

Julie Bueren

Stephanie Hom

Jurisdiction

City of Milpitas

City of Orinda

City of Richmond

Housing Authority of the City of Alameda

County of Contra Costa

Town of Moraga

Members Absent

Richard Sealana

City of Union City

Staff Present

Jerry Lahr

ABAG POWER

Ryan Jacoby

ABAG POWER

Ken Moy

ABAG

Charles Adams

ABAG

PUBLIC COMMENTS & ANNOUNCEMENTS

There were no public comments.

Hom announced the conclusion of her employment with the Town of Moraga, and her approaching start with the City of Oakland. There are no current prospects to fill the resulting vacancy on the Committee.

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APPROVAL OF SUMMARY MINUTES OF APRIL 15, 2015.

Motion was made by Walton/S/Bueren/C/5:0:0 to approve the Summary Minutes of April 15, 2015 Executive Committee meeting.

The aye votes were: Gilmore, Schroeder, Bueren, Walton, Hom.

The nay votes were: None.

Abstentions were: None.

Absentees were: Olds, Sealana.

REPORT ON NATURAL GAS PROGRAM

Monthly Summary of Operations FY 14-15

Lahr provided members with the Monthly Summary of Operations reports for FY14-15; members were updated on the percentage savings comparisons with PG&E. The cumulative savings through April, 2015 is -0.5% including the CTA Unrecovered Pipelines Capacity costs. The program's 'Rate Comparisons excluding Pipeline Capacity Costs' calculation displayed a cumulative savings through April, 2015 of 2.0%.

Gas Hedge Chart

Lahr provided information on the various current long-term gas purchases (contracts which are greater than one month in length).

Market Price Chart

Lahr provided information on gas prices. Lahr noted a correction to the chart's legend: "Budget (NYMEX Futures 6/1/15)" should instead be "Budget (NYMEX Futures 6/9/15)".

Historic Stranded Capacity Costs

Lahr provided a list of invoices received from PG&E for the CTA Unrecovered Pipelines Capacity costs. To date the program has paid a total of \$417,257 for these costs starting from April, 2012 (costs for FY 2014-15: \$155,541).

Lahr also provided additional pipeline capacity cost estimates for Fiscal Year 2015-16 that incorporated several recent developments (e.g. higher-than-expected cost reimbursement and lower contracted pipeline capacity on PG&E's behalf).

FY 2015-16 ABAG POWER OPERATING BUDGET

FY 2015-16 Operating Budget

Lahr presented the Committee with an Operating Budget for Fiscal Year 2015-16 indicating a total core rate decrease of 4.1%, primarily due to significant decreases in natural gas commodity costs and a continuance of relatively moderate gas consumption brought about by warm temperatures.

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The Committee agreed that ABAG POWER may benefit financially by more actively managing its LAIF and checking accounts. No formal action was taken.

FY 2015-16 Operating Budget – Levelized Charges

Lahr presented a worksheet displaying the calculation of monthly levelized charges for each of the program's master accounts. The calculation displayed a total (Core and Non-core) decrease of 13.1% when compared to FY 2014-15 levelized charges.

Motion was made by Schroeder/S/Gilmore/6:0:0 to approve the Operating Budget (including levelized charges) for Fiscal Year 2015-16.

The aye votes were: Gilmore, Schroeder, Bueren, Walton, Hom, Olds.

The nay votes were: None.

Abstentions were: None.

Absentees were: Sealana.

Lahr noted potential concerns brought about by program's increased susceptibility to the traditionally volatile gas market as a result of heavily relying on market prices rather than fixed-price contracts. Lahr specifically elaborated on the program's cash flow management processes in the event that natural gas prices were to rapidly increase.

Following discussion, consensus among the Committee was reached: if the ABAG POWER working capital deposits deplete to a reserve amount less than one and a half months of program operation, ABAG POWER staff may choose to adjust levelized charges as necessary to ensure normalized program operation. In the event this action is deemed necessary, the Program Manager shall notify the Executive Committee and program participants.

Motion was made by Schroeder/S/Gilmore/6:0:0 to grant ABAG POWER staff authority to alter the Committee-approved levelized charges in the event a time-sensitive issue arose that would not provide adequate time to address the issue at a normally scheduled Executive Committee meeting.

The aye votes were: Gilmore, Schroeder, Bueren, Walton, Hom, Olds.

The nay votes were: None.

Abstentions were: None.

Gas Program Goals and Purchasing Strategy

Lahr reiterated the changes to the program's general gas purchasing strategy as decided and implemented during the past fiscal year.

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LEGISLATION

Lahr briefed the Committee on the progress and recent submission of SB-687, which sought to introduce a Renewable Gas Standard (RGS) for gas sellers in California. The deadline to move this bill out of committee has passed, and therefore the bill is considered 'dead' for this legislative session. Staff and the Committee agreed this would likely be a conversational topic at the upcoming Annual Board Meeting.

OTHER BUSINESS

Lahr provided updates on regional Community Choice Aggregation (CCA) efforts as well as the status of a Direct Access (DA) bill, SB-286.

Schroeder stated plans to provide the Committee with actionable items related to the adoption of rooftop solar and its place within California's Renewables Portfolio Standard (RPS). The action items would likely be presented at the August Executive Committee meeting and would be formulated in collaboration with Walker Wright, of Sunrun, Inc.

CLOSED SESSION

Conference with Legal Counsel—Existing Litigation, Govt. C. §54956.9(d):

1. Application of Pacific Gas & Electric Company to Set New Core Interstate Pipeline Capacity Planning Range (A.13-06-011)
2. Application of Pacific Gas & Electric Company Proposing Cost of Service and Rates for Gas Transmission and Storage Services for the Period 2015-2017 (A.13-12-012)

The Chairman announced that no reportable action was taken in closed session.

ADJOURNMENT

Chairman Schroeder adjourned the meeting at 1:47 PM.

/rj

*Example of a motion – *[Member No. 1/S/Member No. 2/roll call vote/C/8:0:0]* means Member No.1 motions, seconded by Member No.2, after roll call vote, motion carries, 8 = "yes" votes, 0 = "no" votes and 0 = abstention.



DT: August 19, 2015

TO: ABAG POWER Executive Committee

FM: Gerald L. Lahr, ABAG POWER Program Manager

RE: **SB-350 Clean Energy and Pollution Reduction Act of 2015**

Current Status. Active Bill - Assembly Committee on Appropriations

Summary. This bill creates or expands three related existing clean-energy goals with a common achievement date of 2030, including a publicly available tracking system to provide up to date information on progress toward meeting these goals:

1. Reduce petroleum use in motor vehicles by 50 percent

Directs the California Air Resources Board (CARB), in adopting motor vehicle emission, performance and fuel standards pursuant to its existing authority, to achieve a 50% reduction in petroleum use in motor vehicles by 2030. Requires CARB to prepare a petroleum reduction strategy and implementation plan by January 1, 2017, and update the plan every three years.

Relevant issues:

- Transportation electrification – time and resource requirements of an alternative infrastructure; cost of EV/fuel cell vehicles.

2. Double energy efficiency in existing buildings

Requires the California Energy Commission (CEC) to adopt an update to the AB 758 program, by January 1, 2017 and every three years thereafter, to achieve an overall doubling of the energy efficiency of existing residential and nonresidential buildings by January 1, 2030.

Relevant issues:

- Obtaining monthly whole-building energy data is not easily accessible to owners of commercial and multi-family residential buildings because each tenant must provide consent.



3. Generate 50 percent of total retail sales of electricity from specified renewable resources

Following the current goal of 33% by 2020¹, this bill establishes an RPS² target of 50% by December 31, 2030 and thereafter for retail sellers and Publicly Owned Utilities (POUs), including interim targets of 40% by the end of the 2021-2024 compliance period, 45% by the end of the 2025-2027 compliance period, and 50% by the end of the 2028-2030 compliance period.

Relevant issues:

- Financing companies that own rooftop solar typically transfer the ownership of the renewable attribute to the financing company – as a result of this transfer, the customer no longer owns the REC and cannot legitimately claim to be using renewable energy; therefore, they are eligible as “Category 3” products rather than “Category 1”.
- Entities required to meet the RPS are limited in the amount of Category 3 procurement (“unbundled” RECs) to no more than 10% beginning in 2017. Because of this, much rooftop solar is not counted towards the RPS.

Arguments in Support:

- This bill advances a clean energy economy – California needs a more sustainable and stable energy foundation, rather than its current fossil fuel economy.
- Californians have already started to experience the punishing effects of climate change with the current drought; the scale of climate change justifies the ambitious nature of SB 350.
- Appropriately counts distributed solar generation systems as a renewable resource (if a specifically-designed program is recommended in an amendment).

Arguments in Opposition:

- The renewable energy standards are not feasible for businesses and consumers.
- Biofuels and electric cars are not available on a consumer scale, and appeal to a very specific and exclusive demographic of Californians.
- SB 350 harms job creation by burdening nearly every business in California.
- Most economists believe that a well-designed cap and trade bill is the best way to reduce carbon emissions.

¹ SB X1-2 (Simintian, Chapter 1, Statutes of 2011)

² The Renewables Portfolio Standard (RPS) program requires investor-owned utilities, electric service providers, and community choice aggregators to increase procurement from eligible renewable energy sources. For more information about the RPS, see Page 4.

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SUPPORT:

Advanced Energy Economy
American Academy of Pediatrics – California
American Lung Association – California
Asthma Coalition of Los Angeles County
Azul
Baz Allergy, Asthma and Sinus Center
Berkshire Hathaway Energy
Blattner Energy
Bonnie J. Adario Lung Cancer Foundation
Breathe California
BYD Motors, Inc.
California Black Health Network
California Conference of Directors of Environmental Health
California Energy Efficiency Industry Council
California Hydropower Reform Coalition
California League of Conservation Voters
California Pan-Ethnic Health Network
California Public Health Association – North
California Thoracic Society
Californians Against Waste
Center for Climate Change and Health
Central California Asthma Collaborative
Circulate San Diego
Clean Power Campaign
Clean Water Action
Cleveland National Forest Foundation
Climate Resolve
Coastal Environmental Rights Foundation
Doctors for Climate Health (8 doctors)
Endangered Habitats League
Environment California
Environmental Defense Fund
EtaGen
First Solar
Friends Committee on Legislation of California
Friends of the River
Health Care Without Harm
Independent Energy Producers Association
Large-Scale Solar Association
League of Women Voters of California
Lutheran Office of Public Policy
McCarthy Building Companies, Inc.
Medical Advocates for Healthy Air
Moms Clean Air Force
National Parks Conservation Association
Natural Resources Defense Council
NextGen Climate
NextTracker, Inc.
Office of Ratepayer Advocates
Physicians for Social Responsibility – Los Angeles
Physicians for Social Responsibility – San Francisco Bay Area Chapter
Public Health Institute
Recurrent Energy
Regional Asthma Management and Prevention
Sequoia Riverlands Trust
Sierra Business Council
Sierra Club California

Signal Energy, LLC
Solar Energy Industries Association
Southwest Wetlands Interpretive Association
State Building and Construction Trades Council, AFL-CIO
SunEdison
SunPower Corporation
The Utility Reform Network
TransForm
Trust for Public Lands
Union of Concerned Scientists
Wireless Advanced Vehicle Electrification

OPPOSITION:

Associated General Contractors
Association Builders and Contractors of California
BizFed (Los Angeles County Business Federation)
Building Owners and Managers Association
California Chamber of Commerce
California Construction Trucking Association
California Farm Bureau Federation
California Independent Oil Marketers Association
California Independent Petroleum Association
California Manufacturers & Technology Association
California Metals Coalition
California Retailers Association
California Small Business Alliance
California Small Business Association
California Trucking Association
Coalition of Energy Users
Foster Farms
Fullerton Association of Concerned Taxpayers
Howard Jarvis Taxpayers Association
Independent Oil Producers Agency
International Council of Shopping Centers
International Warehouse Logistics Association
Kern Citizens of Energy
Kern Citizens for Sustainable Government
Kern County Taxpayers Association
Long Beach Area Chamber of Commerce
National Association of Royalty Owners – California
National Federation of Independent Business/California
National Tank Truck Carriers
Placer County Taxpayers Association
Regional Hispanic Chamber of Commerce
San Diego Tax Fighters
San Joaquin County Hispanic Chamber of Commerce
Santa Barbara County Taxpayers Association
Santa Barbara Technology and Industry Association
Simi Valley Chamber of Commerce
Small Business Action Committee
South Bay Association of Chamber of Commerce
Torrance Area Chamber of Commerce
United Airlines
Valley Industry & Commerce Association
West Coast Lumber and Building Material Association
Western Plant Health Association
Western States Petroleum Association
Wilmington Chamber of Commerce

Excerpt from:
ASSEMBLY COMMITTEE ON UTILITIES AND COMMERCE
Anthony Rendon, Chair
SB 350 (De León) – As Introduced February 24, 2015

3. History of RPS: Established in 2002 under SB 1078 (Sher, Chapter 516, Statutes of 2002), California's RPS was accelerated in 2006 under SB 107 (Simitian, Chapter 464, Statutes of 2006) by requiring that 20% of electricity retail sales be served by renewable energy resources by 2010. Finally, SB X1-2 (Simitian, Chapter 1, Statutes of 2011) established a 33% by 2020 goal and was signed by Governor Brown in 2011.
4. RPS Product Compliance Categories (a.k.a. "Buckets): The RPS requires electricity from renewable resources be procured by retail electricity sellers. The RPS includes three renewable product categories that allow flexibility in meeting the RPS requirements:
 - a. Product Compliance Category 1: Products must be interconnected with a California balancing authority, have a first point of interconnection with distribution facilities used to serve end users within a balancing authority area, or are scheduled from the eligible renewable energy resource into a California balancing authority without substituting electricity from another source. Alternatively, the product can have an agreement to dynamically transfer electricity to a California balancing authority.
 - b. Product Compliance Category 2: A product that is a firm and shaped eligible renewable energy resource providing incremental electricity and scheduled into a California balancing authority.
 - c. Product Compliance Category 3: Products, including "unbundled" RECs that do not qualify under Categories 1 or 2. An unbundled REC refers to the renewable energy attribute sold separately from the electricity generated by the renewable energy facility. Unbundled RECs can be bought and sold. Buyers are typically parties who are short on meeting their renewable energy goals or who would like to demonstrate a commitment to clean energy. Note that purchases of unbundled RECs do not include delivery of the electricity from the renewable resource. Statute also specifies that Category 3 products cannot be counted as excess procurement under the provision that allows banking of excess procurement for future compliance years.

Entities required to meet the RPS are limited in the amount of Category 2 and 3 procurement. This ensures that the RPS is driving procurement of actual delivered renewable generation. The proportions required for procurement under the current RPS for Category 1 increases over time until it reaches 75% of procurement beginning in January 2017. Category 3 drops to no more than 10% beginning in January 2017.

The RPS also requires that the REC can be counted only once and that the REC is registered so that ownership can be tracked for compliance purposes. REC certificates are created for each whole megawatt-hour generated. These certificates can be bought and sold.

5. RPS: Distributed Energy Resources: For the most part, the utility RPS procurement process has resulted in utility procurement of large scale renewable projects. This may be because of the economies of scale in negotiating contracts with the utilities (smaller projects may not have the revenue potential to offset the costs of contract development). The CPUC recognized the RPS presented barriers to smaller renewable projects and authorized a program called the "Renewable Auction Mechanism" to facilitate an increase in projects sized below 20 megawatts (MWs).

Excerpt from:
ASSEMBLY COMMITTEE ON UTILITIES AND COMMERCE
Anthony Rendon, Chair
SB 350 (De León) – As Introduced February 24, 2015

In addition, the Legislature enacted a small generator feed in tariff for projects sized below 3 MWs. Many of these smaller projects are located in the Central Valley (Kern County) and sell power to retail sellers of electricity throughout the state.

Other programs, such as the California Solar Initiative, the Self-Generation Incentive Program, the Feed in Tariff for Small Renewable Generators, and the Combined Heat and Power Tariff have focused on increasing the use of distributed power, expanding the market for rooftop solar, microgrids, and battery storage located at or near a customer's site.

On-site renewable generation typically means that the generation is delivered and consumed at the site. In Decision 07-01-018, the CPUC determined that facilities that serve onsite load (e.g., facilities receiving incentives from the California Solar Initiative or Self-Generation Incentive Program) own their RECs. In other words, the facility owner owns the RECs, and they are not transferred to the utility. That means that a facility owner can either make green claims (e.g., “our company is powered by solar”) if it retains the RECs, or the owner can sell the RECs so another entity can make green claims. Statute specifies the REC can only be owned by one entity which means that when the facility owner sells the REC they can no longer claim to be using renewable energy.

Currently, rooftop solar can meet Product Compliance Category 1 if it meets the criteria laid out in statute. But when the REC is unbundled from the rooftop solar generation, it is treated as Product Compliance Category 3. Thus, much rooftop solar is not counted toward the RPS.

Financing companies that own rooftop solar, through either a lease or power-purchase agreement with a customer, typically transfer the ownership of the renewable attribute to the financing company (as a result of this transfer the customer no longer owns the REC and cannot legitimately claim to be using renewable energy).

A number of the financing companies argue the unbundled REC should be eligible under Product Category 1. Utilities recognize on-site renewable generation is occurring within their service areas and also suggest the product should be considered as Product Category 1.

The United States Constitution includes a provision known as the "Commerce Clause" and confers authority to the United States Congress to enact laws regulating interstate commerce. This, by implication, limits state authority over interstate commerce. Electricity generation is subject to interstate commerce laws.

If on-site renewables located in California were included as eligible under Product Category 1, it raises concerns over whether this would invite litigation under the Commerce Clause. If on-site renewables were allowed as Product Category 1 without a location requirement to address concerns about the Commerce Clause, then arguably on-site renewable generation located elsewhere in the mainland United States could be eligible to count toward California's RPS goals. At the same time, on-site renewable generation is clearly renewable generation. Californians broadly support on-site renewable generation, and the amount of on-site generation continues to increase throughout California.



August 13, 2015

Members of the Legislature and Office of Governor Brown
State Capitol
Sacramento, CA 95814

RE: Concerns Regarding SB 350

Dear Legislators:

We write to request your help in making sure California counts the clean, local energy from rooftop solar systems toward our state's Renewable Portfolio Standard (RPS). We applaud efforts to increase the State's Renewable Portfolio Standard (RPS) to 50% through Senate Bill 350. At the same time, we believe that the clean, local power from rooftop solar systems in California should count toward the RPS. We respectfully request that you amend SB 350 accordingly.

As an Energy Service Provider operating within the San Francisco Bay Area, ABAG POWER is committed to a high degree of environmental responsibility and sustainability. As California continues to lead the nation towards a greener future, we feel strongly that distributed solar energy should receive full recognition for helping meet a more stringent RPS while providing greater compliance flexibility. A solar electron produced on a school, church, farm, business, or home that is exported within the distribution grid and sold by a utility to another end-user should receive the same credit toward meeting RPS obligations as a solar electron produced in one of California's large-scale solar arrays that is transported to end-users through the transmission grid. Of the more than 30 states in the nation that have renewable portfolio standards or goals, California is unique in treating distributed solar energy as a second-class citizen.

Failing to provide distributed solar equal credit toward the RPS directly threatens California's rooftop solar industry today. The lack of market certainty around the RPS, looming expiration of federal investment tax credits for solar, drastic reforms to electricity rate design being implemented by the CPUC, and imminent end of the current Net Energy Metering program puts the rooftop solar industry under incredible pressure. Properly valuing rooftop solar's contribution to California's RPS would help mitigate that uncertainty.

Not counting distributed solar energy also leaves hundreds of millions of dollars in private investment on the table. Californians and solar developers are investing private capital – not ratepayer dollars – to deploy these systems. Leveling the RPS playing field will help reduce overall compliance costs by expanding flexibility. Further, it will better align utility interests with those of consumers by giving utilities a clearer upside in the deployment of rooftop systems.

Distributed solar energy accounts for more than 240,000 solar systems in California with a generating capacity of 2.4 GW. That's equal to four combined-cycle gas plants. According to

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the Solar Foundation, the large majority of the 54,000 solar jobs in California are associated with the rooftop segment of the industry. This capacity and these jobs should count toward our state's laudable goals.

Amending SB 350 to give equal treatment to distributed solar would promote economic development, job growth, and the proliferation of clean energy technologies in communities throughout the state. It would also protect and enhance consumer choice and competition in the energy marketplace, which continues to drive down solar costs for Californians.

Thank you for your consideration.

Sincerely,

Christopher Schroeder
Chairman, ABAG POWER

Attachments: ABAG POWER Gas Pool Members



ABAG POWER GAS POOL MEMBERS

CITY/TOWN

1. City of Alameda
2. City of Albany
3. City of Benicia
4. City of Cupertino
5. City of Fremont
6. City of Gonzales
7. City of Half Moon Bay
8. City of Hercules
9. City of Los Altos
10. City of Mill Valley
11. City of Millbrae
12. City of Milpitas
13. City of Monte Sereno
14. City of Oakland
15. City of Orinda
16. City of Pacifica
17. City of Petaluma
18. City of Pleasanton
19. City of Richmond
20. City of Salinas
21. City of San Carlos
22. City of San Rafael
23. City of Santa Rosa
24. City of Saratoga
25. City of Union City
26. City of Vallejo
27. City of Watsonville
28. City of Winters
29. Town of Atherton
30. Town of Moraga

COUNTY

31. County of Contra Costa
32. County of Napa
33. County of San Mateo
34. County of Santa Clara

SPECIAL DISTRICTS/

OTHER AGENCIES

35. Golden Gate Bridge, Highway & Transportation District
36. Regional Administration Facility Corporation
37. Vallejo Sanitation & Flood Control District
38. Housing Authority of the City of Alameda

ABAG POWER Natural Gas Program

FY 2014-15 Monthly Summary of Operations

	days/mo.	Jul 31	Aug 31	Sep 30	Oct 31	Nov 30	Dec 31	Jan 31	Feb 28	Mar 31	Apr 30	May 31	Jun 30	Total
<u>Gas Purchases⁽¹⁾</u>														
Purchase 1	Qty	15,493	15,446	14,883	15,500	15,000	15,500	15,500	14,000	15,500	14,897	15,489	15,000	182,208
	Price	\$3.94	\$3.94	\$3.94	\$3.94	\$3.94	\$3.94	\$3.94	\$3.94	\$3.94	\$3.88	\$3.88	\$3.88	
Purchase 2	Qty	15,500	15,500	15,000	15,500	15,000	15,500	15,500	14,000	15,500				137,000
	Price	\$4.99	\$4.99	\$4.99	\$4.99	\$4.99	\$4.99	\$4.99	\$4.99	\$4.99				
Purchase 3	Qty	22,091	22,031	21,204	22,103	21,480	22,196	22,164	20,048	22,196	21,324	22,182	21,480	260,499
	Price	\$4.50	\$3.84	\$3.94	\$3.88	\$4.10	\$3.43	\$2.89	\$2.55	\$2.49	\$2.36	\$2.67	\$2.65	
Purchase 4	Qty	6,516	6,975	4,800	4,200	6,900	10,400	12,400	9,600	6,200	19,900	13,000	4,800	105,691
	Price	\$4.86	\$4.50	\$4.43	\$4.42	\$4.43	\$3.90	\$3.26	\$2.96	\$2.94	\$2.86	\$3.22	\$3.02	
Purchase 5	Qty					-4,000								-4,000
	Price					\$4.50								
Total Quantity Purchased		59,600	59,952	55,887	57,303	54,380	63,596	65,564	57,648	59,396	56,121	50,671	41,280	681,398
Total Purchase Cost		\$269,364	\$254,127	\$238,200	\$242,672	\$234,426	\$254,912	\$242,747	\$204,488	\$211,750	\$165,059	\$161,031	\$129,582	\$2,608,356
Backbone Shrinkage (Dths)		(405)	(408)	(401)	(403)	(420)	(434)	(434)	(392)	(434)	(428)	(440)	(420)	
WACOG ⁽²⁾		\$4.55	\$4.27	\$4.29	\$4.26	\$4.34	\$4.04	\$3.73	\$3.57	\$3.59	\$2.96	\$3.21	\$3.17	\$3.83
<u>Storage/Inventory</u>														
Total Injections/ (Withdrawals)		10,463	4,500	15,400	8,040	1,270	(12,093)	(22,744)	6,173	10,225	1,305	0	30	22,569
Total Inventory Quantity (Dths)		51,614	56,114	71,514	79,554	80,824	68,731	45,987	52,160	62,385	63,690	63,690	63,720	
Total Inventory (\$)		\$229,030	\$249,550	\$315,278	\$349,592	\$355,009	\$301,895	\$202,004	\$229,115	\$246,912	\$252,643	\$252,643	\$252,740	
Avg. Inventory Rate (\$/Dth)		\$4.44	\$4.45	\$4.41	\$4.39	\$4.39	\$4.39	\$4.39	\$4.39	\$3.96	\$3.97	\$3.97	\$3.97	
<u>Gas Program Monthly Expenses (from Financial Reports)</u>														
Cost of Energy Used ⁽³⁾	\$	248,521	\$ 263,343	\$ 202,120	\$ 238,935	\$ 259,317	\$ 342,063	\$ 379,923	\$ 214,069	\$ 227,218	\$ 193,006	\$ 194,338	\$ 156,874	\$ 2,919,727
Program Operating Expenses ⁽⁴⁾		34,247	29,771	32,651	37,027	29,217	26,990	32,860	31,214	32,766	31,953	28,792	32,898	380,387
Subtotal	\$	282,767	\$ 293,114	\$ 234,772	\$ 275,962	\$ 288,534	\$ 369,053	\$ 412,783	\$ 245,283	\$ 259,984	\$ 224,959	\$ 223,130	\$ 189,773	\$ 3,300,114
Rate (\$/Dth)		\$6.08	\$6.50	\$5.40	\$5.52	\$4.93	\$4.74	\$4.86	\$3.94	\$4.40	\$4.10	\$3.97	\$4.17	\$4.82
PG&E Pass-through costs ⁽⁵⁾		152,189	142,623	130,734	181,023	177,184	212,756	449,627	391,372	307,210	207,113	245,488	193,249	2,790,567
Total ABAG POWER Cost	\$	434,957	\$ 435,737	\$ 365,505	\$ 456,985	\$ 465,718	\$ 581,809	\$ 862,410	\$ 636,655	\$ 567,194	\$ 432,072	\$ 468,619	\$ 383,022	\$ 6,090,681
<u>Actual (metered) Gas Usage</u>														
Core ⁽⁶⁾		40,996	40,075	38,561	44,003	55,036	72,137	78,215	56,883	53,170	48,567	49,219	38,837	615,699
Non Core		5,507	5,050	4,940	6,029	3,540	5,726	6,676	5,304	5,862	6,269	6,973	6,670	68,544
Total Program Usage		46,503	45,125	43,501	50,032	58,576	77,863	84,891	62,186	59,031	54,837	56,191	45,507	684,243
ABAG POWER Total Core Rate	\$	9.79	\$ 10.05	\$ 8.79	\$ 9.63	\$ 8.15	\$ 7.69	\$ 10.61	\$ 10.82	\$ 10.18	\$ 8.37	\$ 8.96	\$ 9.15	
<u>PG&E Rate⁽⁷⁾</u>														
Procurement Charge ⁽⁸⁾		6.00	5.63	6.05	5.21	4.65	5.36	4.89	4.64	3.80	3.34	2.86	3.85	
Transportation/Other Charge ⁽⁹⁾		3.71	3.56	3.39	4.11	3.22	2.95	5.75	6.88	5.78	4.26	4.99	4.98	
Total PG&E Rate	\$	9.72	\$ 9.19	\$ 9.44	\$ 9.32	\$ 7.87	\$ 8.31	\$ 10.64	\$ 11.52	\$ 9.58	\$ 7.61	\$ 7.85	\$ 8.82	

ABAG POWER Natural Gas Program

FY 2014-15 Monthly Summary of Operations

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
<u>Rate Comparison</u>													
Monthly Rate Difference (\$/Dth)	0.08	0.87	(0.65)	0.31	0.28	(0.62)	(0.03)	(0.69)	0.60	0.76	1.11	0.32	
Monthly Savings (\$)	(3,191)	(34,668)	24,999	(13,581)	(15,293)	44,972	1,963	39,402	(31,885)	(36,928)	(54,441)	(12,497)	
Cumulative 'Savings' (\$)	(3,191)	(37,859)	(12,860)	(26,441)	(41,734)	3,238	5,201	44,603	12,718	(24,210)	(78,651)	(91,148)	
Cumulative 'Savings' (%)	-0.8%	-4.9%	-1.1%	-1.7%	-2.1%	0.1%	0.2%	1.1%	0.3%	-0.5%	-1.5%	-1.6%	
<u>Rate Comparison excluding Stranded Pipeline Capacity Costs</u>													
Standed Pipeline Capacity Costs	\$ 11,827	\$ 11,575	\$ 11,522	\$ 12,298	\$ 12,094	\$ 15,740	\$ 17,788	\$ 17,758	\$ 14,049	\$ 15,707	\$ 15,184	\$ 14,753	
Monthly Savings	7,235	(24,388)	35,212	(2,765)	(3,930)	59,555	18,352	55,646	(19,231)	(23,016)	(41,141)	93	
Cumulative Savings (\$)	7,235	(17,154)	18,059	15,294	11,363	70,918	89,270	144,915	125,684	102,668	61,527	61,621	
Cumulative Savings (%)	1.8%	-2.2%	1.6%	1.0%	0.6%	2.8%	2.6%	3.6%	2.8%	2.1%	1.2%	1.1%	
<u>Monthly Index Postings</u>													
NGI Bidweek for PG&E Citygate	\$5.12	\$4.48	\$4.55	\$4.42	\$4.17	\$4.69	\$3.48	\$3.17	\$3.17	\$2.92	\$2.88	\$3.20	
Gas Daily Avg. for PG&E Citygate	\$4.70	\$4.49	\$4.43	\$4.29	\$4.50	\$4.34	\$3.25	\$2.95	\$2.93	\$2.86	\$3.20	\$3.09	
NGI Bidweek for Malin	\$4.49	\$3.83	\$3.93	\$3.87	\$3.58	\$4.45	\$3.16	\$2.67	\$2.71	\$2.38	\$2.32	\$2.64	

Notes:

- (1) All gas quantities in Dth and rates in \$/Dth. (Does not include imbalance purchases traded to storage.)
- (2) Weighted Average Cost of Gas (WACOG) at PG&E Citygate
- (3) Includes costs to transport gas to PG&E Citygate from alternate delivery points, as well as physical storage costs.
- (4) Includes scheduling fees, billing fees, administrative costs and misc. expenses; less interest income.
- (5) PG&E charges billed to ABAG POWER via EDI process and passed through to customers. These costs do not necessarily tie directly to the actual gas usage shown above due to timing difference in reporting.
- (6) From billing data
- (7) Based on PG&E's G-NR1 rate schedule.
- (8) Includes: Procurement Charge, Capacity Charge, Brokerage Fee, Shrinkage, and Storage.
- (9) PG&E Transportation Charge; Customer Charge, and surcharge for Public Purpose Programs. Does not include Franchise Fees and City Taxes.

ABAG POWER Natural Gas Program

FY 2015-16 Monthly Summary of Operations

[illegible]

ABAG POWER Natural Gas Program

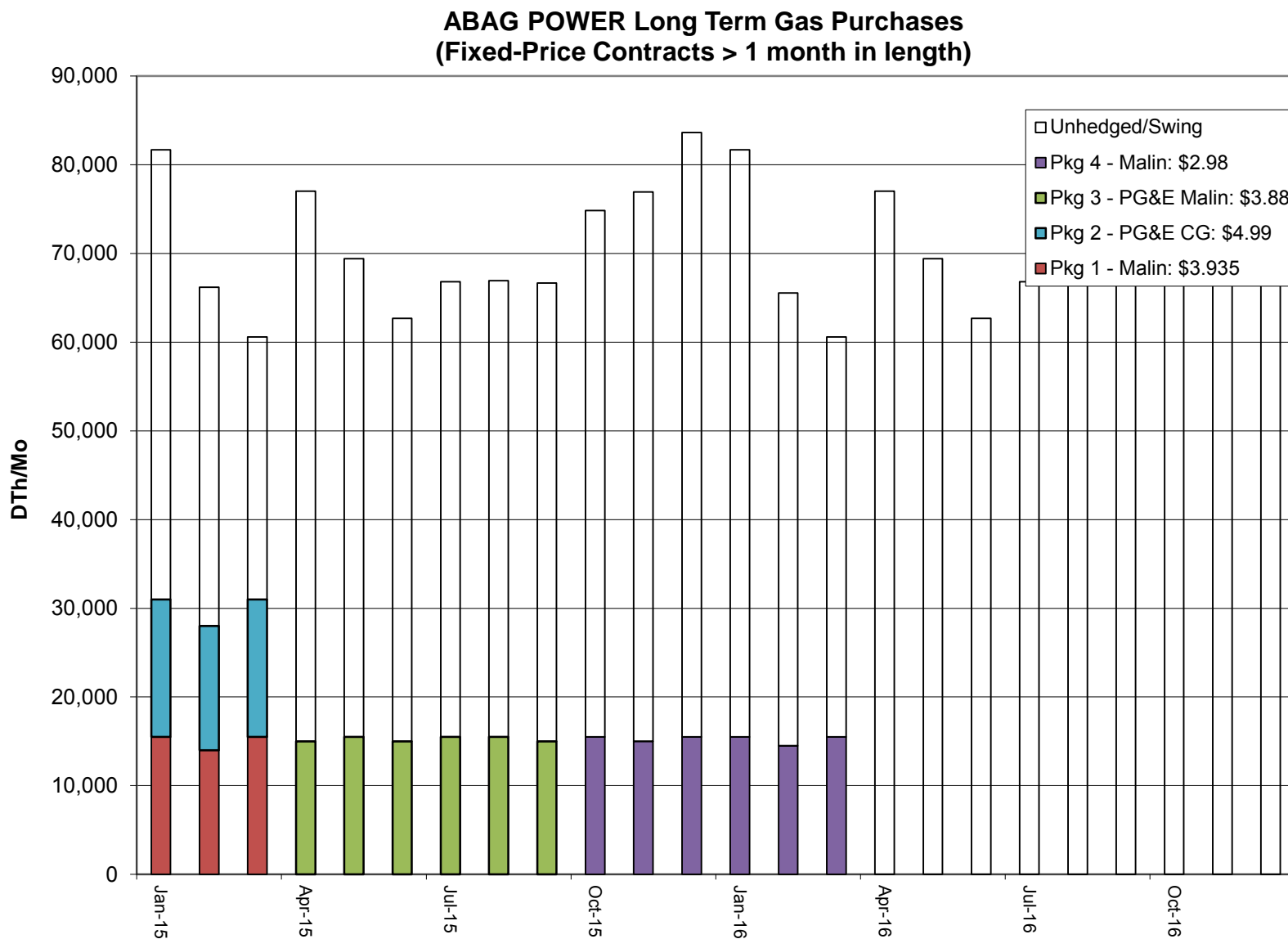
FY 2015-16 Monthly Summary of Operations

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
<u>Rate Comparison</u>													
Monthly Rate Difference (\$/Dth)													
Monthly Savings (\$)													
Cumulative 'Savings' (\$)													
Cumulative 'Savings' (%)													
<u>Rate Comparison excluding Stranded Pipeline Capacity Costs</u>													
Stranded Pipeline Capacity Costs	\$	10,861											
Monthly Savings													
Cumulative Savings (\$)													
Cumulative Savings (%)													
<u>Monthly Index Postings</u>													
NGI Bidweek for PG&E Citygate	\$3.16	\$3.25											
Gas Daily Avg. for PG&E Citygate	\$3.19												
NGI Bidweek for Malin	\$2.77	\$2.76											

Notes:

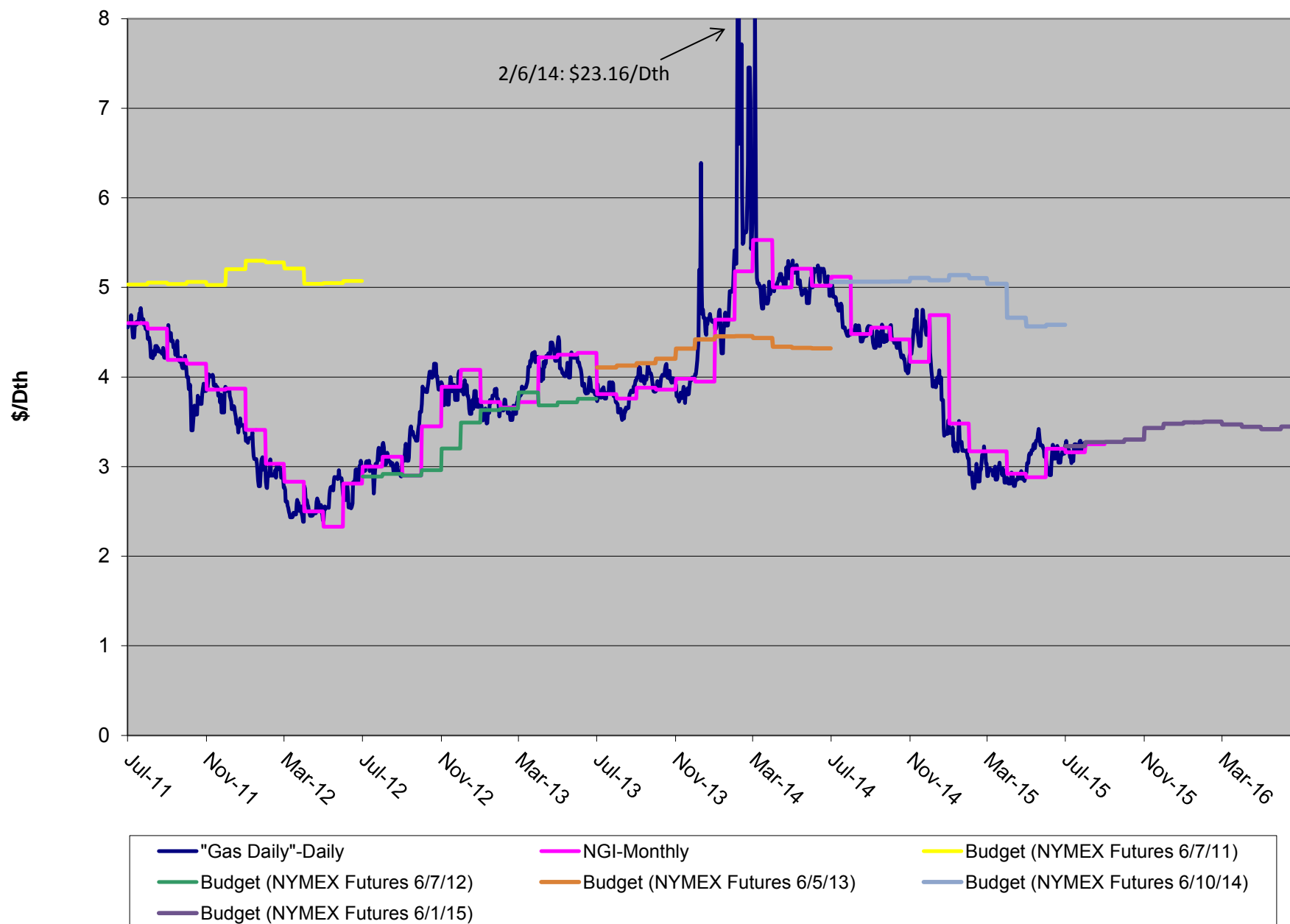
- (1) All gas quantities in Dth and rates in \$/Dth. (Does not include imbalance purchases traded to storage.)
- (2) Weighted Average Cost of Gas (WACOG) at PG&E Citygate
- (3) Includes costs to transport gas to PG&E Citygate from alternate delivery points, as well as physical storage costs.
- (4) Includes scheduling fees, billing fees, administrative costs and misc. expenses; less interest income.
- (5) PG&E charges billed to ABAG POWER via EDI process and passed through to customers. These costs do not necessarily tie directly to the actual gas usage shown above due to timing difference in reporting.
- (6) From billing data
- (7) Based on PG&E's G-NR1 rate schedule.
- (8) Includes: Procurement Charge, Capacity Charge, Brokerage Fee, Shrinkage, and Storage.
- (9) PG&E Transportation Charge; Customer Charge, and surcharge for Public Purpose Programs. Does not include Franchise Fees and City Taxes.

Gas Hedge Chart



Market Price Chart

5-Yr Historical/Future Market Price Indices @ PG&E Citygate



ABAG POWER

CTA Unrecovered Capacity - Invoices

<u>Bill Period</u>	<u>Amount</u>	Projected 8/13 <u>Estimate</u>	Projected 6/15 <u>Estimate</u>
Apr-12	\$ 616		
May-12	614		
Jun-12	663		
<u>Total FY 2011-12:</u>	\$ 1,892		
Jul-12	\$ 3,358		
Aug-12	3,366		
Sep-12	3,387		
Oct-12	3,692		
Nov-12	2,704		
Dec-12	3,408		
Jan-13	3,771		
Feb-13	4,022		
Mar-13	4,687		
Apr-13	11,446		
May-13	11,683		
Jun-13	12,065		
Total FY 2012-13:	\$ 67,587		
Jul-13	\$ 15,043	\$ 15,042	
Aug-13	15,539	15,042	
Sep-13	15,163	15,042	
Oct-13	15,439	15,042	
Nov-13	14,152	14,857	
Dec-13	18,186	14,993	
Jan-14	18,991	14,993	
Feb-14	18,759	14,993	
Mar-14	14,275	13,732	
Apr-14	15,999	18,657	
May-14	15,319	18,657	
Jun-14	15,372	18,657	
Total FY 2013-14:	\$ 192,238	\$ 189,707	

<u>Bill Period</u>	<u>Amount</u>	Projected 8/13 <u>Estimate</u>	Projected 6/15 <u>Estimate</u>
Jul-14	\$ 11,827	\$ 18,657	
Aug-14	11,575	18,657	
Sep-14	11,522	18,657	
Oct-14	12,298	18,657	
Nov-14	12,094	18,657	
Dec-14	15,740	20,451	
Jan-15	17,788	20,451	
Feb-15	17,758	20,451	
Mar-15	14,049	18,657	
Apr-15	15,707	25,223	
May-15	15,184	25,223	
Jun-15	14,753	25,223	
Total FY 2014-15:	\$ 170,294	\$ 248,961	
Jul-15	\$ 10,861	\$ 25,223	\$ 14,600
Aug-15		25,223	14,600
Sep-15		25,223	14,600
Oct-15		25,223	14,600
Nov-15		25,223	14,600
Dec-15		27,728	16,400
Jan-16		27,728	16,400
Feb-16		27,728	16,400
Mar-16		25,223	14,600
Apr-16		25,223	14,600
May-16		25,223	14,600
Jun-16		25,223	14,600
Total FY 2015-16:	\$ 10,861	\$ 310,189	\$ 180,600
Total to date:	\$ <u>442,871</u>		



ABAG POWER ANNUAL BOARD MEETING

October 29, 2015 (10:30 a.m. to 1:00 p.m.)

Association of Bay Area Governments
Joseph P. Bort MetroCenter Auditorium
101 Eighth Street, Oakland, CA 94607

Chairman: Chris Schroeder

- | | | |
|--|-----------|---------------|
| 1. Welcome
ATTACHMENT 1A - ABAG POWER JPA MEMBER LIST | Schroeder | |
| 2. Public Comments | Schroeder | |
| 3. Approval of Minutes from October 30, 2014 Annual Board Meeting
ATTACHMENT 3A - MINUTES OF OCTOBER 30, 2014 | Schroeder | Action |
| 4. Election of ABAG POWER Officers (Chair and Vice Chair)
ATTACHMENT 4A - PROPOSED EXECUTIVE COMMITTEE FOR FY 15-16 | Schroeder | Action |
| 5. Staff Report and Review of Natural Gas Program
Staff will report the results of the Natural Gas Program for the 2014 – 2015 fiscal year.
ATTACHMENT 5A - STAFF REPORT ON NATURAL GAS PROGRAM
ATTACHMENT 5B - SUMMARY OF NATURAL GAS PROGRAM FY2014-15 | Lahr | Info. |
| 6. Natural Gas Pipeline Capacity Issue
Staff will discuss the effects to the program of the recent stranded pipeline capacity costs.
ATTACHMENT 6A – STRANDED PIPELINE CAPACITY COSTS MEMO
ATTACHMENT 6B – PIPELINE CAPACITY COSTS | Lahr | Info. |
| 7. Financial Review
Staff will review preliminary financial statements for FY 2014-15
ATTACHMENT 7A – FINANCIAL REPORTS MEMO
ATTACHMENT 7B1 – PRELIMINARY INCOME STATEMENT
ATTACHMENT 7B2 – PRELIMINARY BALANCE SHEET | Adams? | Info. |
| Break for Lunch | | |
| 8. Guest Speaker [?] – CCA, Solar, Biogas, EV, Storage, Microgrids... | ? | Info. |
| 9. San Francisco Bay Area Regional Energy Network (BayREN)
BayREN Program Manager (Jenny Berg) will summarize the programs and accomplishments to date. | Berg | Info. |

Adjourn approximately 1:00 p.m.

THE BOARD MAY TAKE ANY ACTION, INCLUDING NO ACTION, ON ANY ITEM ON THIS AGENDA.